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Chair: Mr. Yohanna (Vice-Chair) ..... (Nigeria)

Contents

Item 24: Operational activities for development

(a) Operational activities for development of the United Nations system

(b) South-South cooperation for development

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In the absence of Mr. Momen (Bangladesh), Mr. Yohanna (Nigeria), Vice-Chair, took the Chair.

The meeting was called to order at 10.15 a.m.

Agenda item 24: Operational activities for development

(a) Operational activities for development of the United Nations system (A/66/79-E/2011/107)

(b) South-South cooperation for development (A/66/229)

1. **Mr. Stelzer** (Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs), introducing the report of the Secretary-General entitled "Analysis of the funding of operational activities for development of the United Nations system for 2009" (A/66/79-E/2011/107), said that it provided expanded analyses of several important funding issues.

2. While total contributions to the United Nations development system had nearly doubled in real terms between 1994 and 2009, core and non-core funding had grown at very different rates, annualized at 10 per cent and 2 per cent respectively. During that period, and notwithstanding an increase in real terms, the share of the membership of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD/DAC) had dropped from 76 to 63 per cent; however, as there had been a significant broadening of the funding base, that decline had been offset by increased funding from other contributors. The rapid growth in development-related contributions from multilateral institutions was the most significant funding trend of the recent past. That said, reliance on a small number of donor countries for core funding made it difficult to sustain a critical mass of the core resources needed for the system to operate efficiently. The General Assembly's 2012 quadrennial comprehensive policy review would focus in particular on that issue.

3. The report highlighted the exponential growth of non-core funding in the past 15 years, which had adversely affected system-wide coherence. To address that problem, the General Assembly in its resolution 64/289 had called on specialized agencies to improve the governance and oversight of programme- and project-specific non-core funding and to assess how such funding was aligned with their strategic plans. The predictability, reliability and stability of funding from individual contributors was a further critical issue that required attention.

4. Turning to the question of expenditures, he said that the report introduced the concept of country programmable resources in order to provide a clearer picture of the proportion of contributions to the United Nations development system spent on country-level development-related activities in programme countries. It underscored the significant difference in the distribution of total programme support and management costs between core and non-core funding sources, which resulted in a much smaller portion of the former being available for programme activities. In order for costs to be equally distributed between the two, the 7 per cent cost recovery rate applied by some entities would have to be doubled. The report also showed that, from a financing perspective, the United Nations development system was an important development partner for only 25 per cent of programme countries and a far less significant one for 44 per cent of those countries.

5. Lastly, he provided information on funding flows for United Nations operational activities for development in 2010, according to which the core ratio for development-related contributions was estimated to have declined to 31 per cent in 2010 from 34 per cent in 2009.

6. **Mr. Zhou** Yiping (United Nations Development Programme (UNDP)), introducing the report of the Secretary-General on the state of South-South cooperation (A/66/229), said that, during the review period, countries of the South had demonstrated outstanding economic resilience, despite the global economic downturn. An encouraging trend was the support being given to regional integration efforts by stronger institutional arrangements. In Africa, the New Partnership for Africa's Development (NEPAD) had become a full-fledged agency, while both the African Development Bank and the Asian Development Bank had been instrumental in promoting trade in their respective continents. Again in Africa, steps were being taken towards greater monetary integration and the establishment of free trade areas, while Asia offered several similarly inspiring examples of progress in furthering regional economic integration.

7. Formal agreements among developing countries reflected and contributed to more robust interactions, while development assistance in the form of

concessional loans and grants had been rising rapidly in recent years. The report further welcomed a number of good practices, including the expanded coverage of the Turkish International Development and Cooperation Agency, and the forward-looking initiatives of many developing countries. Triangular cooperation partnerships were also becoming stronger, with technical assistance projects supported by partners like the German Agency for International Cooperation and the Japan International Cooperation Agency, a leader in the field, as well as by other developed country groups and international organizations. The United Nations, for its part, was providing increased support for South-South cooperation, which was being mainstreamed through enhanced policy frameworks and planning instruments. That form of cooperation had been included in the United Nations guidelines for country teams on preparing country assessments and for the United Nations Development Assistance Framework (UNDAF) process; most organizations of the system had programmes or projects in place to support it at the headquarters, regional and/or country levels. South-South cooperation had thus emerged as the pre-eminent development paradigm to address global challenges, thanks to the political leadership of all Member States, particularly the Group of 77 and China, and the strong executive and institutional leadership of the Secretary-General and other senior officials of the United Nations system. The Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation served as a valuable guiding framework in that regard.

8. However, the report also identified drawbacks, including widening inequalities within and between countries in the South and the difficulties encountered by developing countries, particularly the least developed among them, to achieve the Millennium Development Goals (MDGs), while, even as emerging economies were catching up with the developed world, domestic inequalities remained a significant obstacle to sustainable development. Those and other more systemic challenges and structural imbalances between the North and the South and within the South made South-South cooperation all the more important in the present-day world.

9. **Mr. Suárez Salvia** (Argentina), speaking on behalf of the Group of 77 and China, said that the continuing imbalance between core and non-core funding was a source of great concern. Moreover, the increasing tendency of development partners to rely on earmarked funding contradicted two of the principles of United Nations operational activities: that they should be neutral and that they should be responsive to countries' needs. Those activities must be carried out for the benefit of recipient countries, in accordance with national policies and priorities, and should be assessed by how much they helped those countries to eradicate poverty and hunger and achieve sustainable economic growth and development.

10. His delegation urged all development partners to implement the Nairobi Outcome Document and called for the mainstreaming of support for South-South cooperation, including triangular cooperation, throughout the United Nations system. Accordingly, the coherence and coordination of United Nations system support for it should continue to be improved. The United Nations system and regional commissions should also help developing countries to establish or enhance centres of excellence in their areas of competence. South-South cooperation, however, must remain a complement to traditional forms of cooperation, and not become a substitute for them.

11. **Mr. Bairagi** (Nepal), speaking on behalf of the Group of Least Developed Countries, said that the Istanbul Programme of Action set out the framework for a renewed global partnership to fulfil their development aspirations. His delegation therefore welcomed the recent decision of the United Nations Development Group to integrate that Programme into its next planning cycle and called on other agencies of the system to follow suit.

12. The least developed countries could not meet the challenges facing them without international cooperation, which offered the only means of remedying their own lack of human and institutional capacity. It should, however, respect the principal of national ownership and leadership and be guided by nationally determined needs.

13. The current imbalance between core and non-core funding was a matter of concern in view of the importance of universal, voluntary, neutral and multilateral operational activities for development, which must be underpinned by predictable, reliable and sustainable funding arrangements. Non-core resources should be consistent with the aims of the relevant United Nations entities and be aligned with the priorities of programme countries, while the use of

innovative funding mechanisms, in addition to multi-year planning and financing frameworks, could greatly enhance the efficiency of such activities, as would the wider and stronger application of the "Delivering as One" principle.

14. South-South cooperation was also a significant means of support to least developed countries, notably through development assistance and financial flows, technology transfer and duty-free, quota-free market access; its further expansion would be welcomed by the recipient countries, particularly with a view to enhancing their productive and technological capacities. The increased importance of such cooperation should be matched by greater support for it from the United Nations system, which should accordingly strengthen its relevant institutional mechanisms in order to ensure the full and effective implementation of the Nairobi Outcome Document.

15. **Mr. Khan** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), and expressing support for the statement made by the representative of Argentina on behalf of the Group of 77 and China, said that ASEAN agreed with the Secretary-General's assessment of the world economic situation and of the challenges the international community would need to overcome in order to achieve the MDGs by 2015. It also shared his view that the highly fragmented, fluctuating nature of funding for United Nations programmes demanded urgent action on the part of the entire United Nations system. The development system of the United Nations should therefore enhance efforts to integrate strategic and multi-year financing with a view to advancing the reliability and stability of funding. ASEAN noted that in recent years there had not been real growth in overall contributions and it called upon developed country partners to honour their commitments to increase funding for operational activities for development and to narrow the growing imbalances between core and non-core contributions. It also reiterated its call to donor countries to fulfil their commitment to contribute 0.7 per cent of their gross national income (GNI) to ODA. Development assistance must be rendered more effective and efficient, especially at the country level.

16. The United Nations system must continue to improve the coherence and coordination of its support for South-South and triangular cooperation. In that connection, ASEAN supported the "Delivering as One" pilot programmes, especially the programme in Viet Nam. Moreover, resident coordinators should be given the means to respond more effectively to growing development challenges in each national context, taking into account regional priorities. While South-South cooperation was very important, it should not be viewed as a substitute for, but rather a complement to, North-South cooperation. In addition to technical cooperation, South-South cooperation should include mutually beneficial economic cooperation. ASEAN reconfirmed its commitment to strengthening and widening such collaboration and called for international support for the upcoming meeting of the High-level Committee on South-South Cooperation, to be held in 2012.

17. **Mr. Hunte** (Antigua and Barbuda), speaking on behalf of the Caribbean Community (CARICOM) and supporting the statement made by the representative of Argentina on behalf of the Group of 77 and China, said that despite incessant calls by CARICOM, there had been no significant improvement in the provision of adequate and predictable funding for operational activities, particularly for development. That situation had been exacerbated by a number of new challenges, particularly the ongoing financial crisis.

18. He emphasized the importance of the quantity, quality and predictability of United Nations development assistance, and the need to respect national priorities and strengthen multilateral frameworks. Persistent inequality between core and non-core funding weakened the multilateral funding of development assistance and undercut development effectiveness. Non-core resources were not only unpredictable but also increased operational costs and contributed to ineffectiveness and fragmentation of the United Nations system. The alarming disparity between core and non-core resources must therefore be addressed urgently.

19. In addressing the long-term development challenges of recipients, operational activities for development should promote national capacity-building on a continuous basis, ensure technology transfer and increase system-wide support. He noted ODA had never reached the prescribed target levels and never risen significantly, even in years of robust economic growth. South-South cooperation should be integrated carefully and strategically into the operational activities of the United Nations system and remain no more than a complement to North-South

cooperation. The guiding principle of operational activities should be to enhance the effectiveness and efficiency of United Nations programmes. Any savings derived from system-wide actions in the area of development activities should be channelled back into the development cluster, not elsewhere.

20. **Ms. Tarp** (Denmark), speaking on behalf of the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden), said that operational activities were a very visible demonstration of the role of the United Nations and constituted an important flow of resources to developing countries (about US$ 23 billion in 2010). Despite tangible progress, the United Nations development system remained complex and fragmented. It was therefore of utmost importance for the 2012 quadrennial comprehensive policy review to address the effectiveness and efficiency of policies in order to ensure the relevance of operational activities for development in future, while paying particular attention to the findings of the independent evaluation of the "Delivering as One" initiative and to the reports of country-led evaluations. In addition, the resident coordinators must have the necessary authority and resources to lead and coordinate country teams. In order for the United Nations to be a reliable and committed partner in the transition from relief to development in post-conflict countries, its coherence and ability to "deliver as one" would be crucial. While financial flows for development through the United Nations system had increased substantially over the past decade, recently they had been channelled mostly to the non-core category of resources. Core resources were central to operational activities and must remain the stable base for funding them. She also called for greater stability in the provision of financial resources, urging States to meet their ODA commitments.

21. The Fourth High-level Forum on Aid Effectiveness, to be held in Busan in November, held great promise and she hoped that it would reaffirm the relevance of South-South and triangular cooperation. The Nordic countries also looked forward to strengthening their partnership with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), and to promoting gender equality and women's rights and empowerment worldwide.

22. **Mr. Stokes** (Australia), speaking on behalf of Canada, Australia and New Zealand (CANZ), said that the United Nations development system had to chart a new course. The "Delivering as One" initiative was the best way forward in ensuring that the United Nations played a coordinated part in helping countries achieve internationally agreed development goals. CANZ welcomed the valuable contribution of the "Delivering as One" pilots in providing lessons and innovations towards a more effective system of support to programme countries. It looked forward to the report on the independent evaluation of the pilots and to the "Delivering as One" conference to be held in Montevideo the following month.

23. Improving coordination, under the leadership of the resident coordinators, between United Nations agencies at the country level, and between the United Nations system and host Governments was critical. The resulting gains in efficiency and effectiveness would increase the ability of the world body to mobilize resources as well as its attractiveness as a partner. He urged the United Nations system to review regulations and policies on human resources to ensure that they were appropriately supportive of the career paths of the resident coordinators, and to empower them at the country level to provide strong leadership in responding to national priorities.

24. Lastly, he encouraged dialogue with Member States on the need for a critical mass of core resources. Those discussions should be held at the Executive Board level, and should recognize the specific mandate and business models of individual United Nations organizations. CANZ was prepared to engage in a truly constructive examination of core resources in the context of expected results. It was essential to arrive at a common definition of critical mass and its role in agency effectiveness.

25. **Mr. Piminov** (Russian Federation) said that operational activities for development must be adequately and predictably financed on a long-term basis, primarily by untied voluntary contributions. The gradual decline in core resources was a cause for concern, and striking a balance between them and "other" resources, particularly special-purpose funds, must be approached pragmatically. Consensus had to be reached on the concept of a critical mass of resources. Innovative financing mechanisms, though important, could not replace traditional forms of resource mobilization.

26. In recent years, great attention had been paid to the concept of "One United Nations", and

consolidating the efforts of programmes, funds and specialized agencies was undoubtedly useful. How that concept developed in future would depend largely on the results of the analysis of the related pilot projects at the current session.

27. The present stage of reforming operational activities would have to culminate in the adoption by the General Assembly in 2012 of a resolution on the quadrennial comprehensive policy review, and the forthcoming intergovernmental consultations would be of great importance in that connection. Governments must retain the right to define the priorities and parameters of their cooperation with the United Nations system. His delegation noted with satisfaction the increased contributions to operational activities by individual countries in the context of more active South-South cooperation, and supported the basic approaches to such cooperation formulated at the Nairobi and Istanbul conferences. It welcomed the work of the Joint Inspection Unit on reviewing institutional agreements in that field, and the recommendations it had made on the subject.

28. **Mr. Nagapan** (Malaysia), reaffirmed the importance of South-South cooperation as a vital vehicle of international cooperation for development. Despite the strong acceleration of economic growth across the global South, spurred by South-South interactions, his delegation was concerned about rising inequality and the possibility that many countries of the South would fail to meet the MDGs by 2015.

29. One of the cornerstones of South-South cooperation was the sharing of expertise and experiences. With that in mind, his Government had established a national programme that had thus far allowed 138 countries to benefit from technical cooperation with Malaysia. In addition, it had organized a series of successful annual dialogues which had forged intelligent partnerships between the governments and private sectors of the South. Malaysia would remain creative in formulating South-South cooperation programmes. It had instituted a capacity-building programme for States members of the Organization of Islamic Cooperation and was training least developed countries in that organization to better manage and improve their economic performance, reduce poverty and promote sustainable growth by leveraging the funds made available by the Islamic Development Bank. South-South cooperation programmes should be driven more by demand than supply, integrate the evaluation aspect more fully and be more result-oriented. Malaysia would also continue to work with other countries, the United Nations and other stakeholders to further exploit the potential benefits of South-South cooperation and triangular cooperation, with a view to achieving the MDGs and other internationally agreed development goals by 2015 and beyond.

30. **Mr. Wennubst** (Switzerland) pointed out key challenges to implementing General Assembly resolution 62/208 on operational activities for development. The most recent comprehensive policy review of those activities had concluded that the programmes and specialized agencies of the United Nations must harmonize their practices in order to improve their effectiveness and efficiency; however, progress to that end had been insufficient, both at Headquarters and in the field. It was crucial for Member States to identify bottlenecks and to make explicit recommendations on how to overcome them.

31. He also called for better responses in fragile and post-crisis situations. The United Nations system needed to be able to appoint the best people and provide them with the means to discharge their duties. The resident/humanitarian coordinators needed greater authority over country teams, and full access to all necessary resources. In that regard, Switzerland was convinced that greater mobility of personnel between agencies and faster staff appointments could help optimize existing human resources and improve the quality of programmes, particularly in crisis and post-crisis situations.

32. Recognizing that the overall funding structure did not provide the right incentives for better coordination, he said that insufficient core contributions made it necessary to determine the critical mass required for the optimal performance of each fund and programme. He reiterated his call for fruitful dialogue at the 2012 session of the Executive Board as a prelude to jointly defining the critical mass concept ahead of the next quadrennial comprehensive policy review. Open and constructive dialogue was needed to produce positive outcomes and strengthened operational activities.

33. **Mr. Almeida** (Brazil) stressed the crucial role that operational activities played in supporting the national policies and strategies of developing countries as they worked towards achieving the internationally agreed development goals, including the MDGs, even

in the midst of renewed economic turbulence worldwide as well as increasingly volatile food and energy prices. Operational activities should focus on the poorest and most vulnerable countries, particularly the least developed countries. The current situation, whereby financial resources tended to be concentrated disproportionately in a limited number of project countries, should be reviewed as a matter of urgency. In addition, it was important for the United Nations system to ensure that operational activities achieved critical mass in developing countries, including middle-income countries, where more than 70 per cent of the world's poor lived.

34. The growing imbalance between core and non-core funding in operational activities for development had a negative impact on the coherence of the development system and added to administrative and operational costs. It was urgent to phase out the practice of subsidizing non-core support costs with core funding, even if that required a review of cost recovery.

35. Total contributions had remained essentially stagnant in real terms for the last two years for which complete data were available. The increasingly broad funding base, including significant contributions by developing countries, was a positive development, but financial flows to operational activities still lacked the necessary long-term predictability and reliability. His delegation reiterated its call to donor countries to increase resources allocated to operational activities in the context of the global partnership for development.

36. Brazil had become increasingly active in South-South and triangular cooperation, sharing successful experiences and providing technical cooperation through a developing-country perspective. He was confident that such cooperation would continue to expand at its own pace in the coming years, underscoring the growing role of developing countries in an increasingly multipolar world economy.

37. **Mr. Rodríguez Hernández** (Cuba) said that United Nations development assistance was a key factor in the capacity of Southern countries to rise to the challenges before them. The current crisis must therefore not be used as pretext for the failure of developed countries to meet their financing commitments. Core resources continued to be the cornerstone of the system's operational activities and the existing imbalance between them and non-core resources was the main reason for the incoherence of those activities, which, it was to be recalled, were designed to respond to countries' needs in accordance with their own development strategies.

38. Cuba rejected attempts to attach conditionalities to assistance or to usurp the role of recipient countries in deciding on their development priorities and needs. The United Nations system would not be able to counter the effects of the economic and financial crisis if it was not truly accountable to its Member States.

39. **Mr. Pisarevich** (Belarus) said that efforts in support of development needed to be stepped up at country level in order to achieve the internationally agreed development goals by 2015. While the United Nations system was not alone in pursuing global development, it accounted for about a fifth of overall official development assistance, largely because of the growth of non-core funding; core funding, on the other hand, remained in steady decline. Since, however, non-core resources were neither reliable nor predictable, the system's operational activities were suffering from the imbalance between the two.

40. Those activities, moreover, should be aligned with the national strategies of the recipient countries. While it was appropriate that low-income countries should be the first to benefit from them, middle-income countries also needed support, since their development situation affected the development of low-income countries. Cooperation should therefore be further developed between the two groups. In that spirit, his delegation looked to the 2012 quadrennial comprehensive policy review to give fresh momentum to United Nations system support for global development.

41. **Ms. Miranda Rojas** (Peru) said that her delegation shared the view that South-South cooperation was a complement to, but not a substitute for, North-South cooperation; it should operate in parallel with traditional mechanisms as there were limits to its usefulness. The global economic and financial crisis had had the immediate effect of causing countries of the South to become more closely integrated; at the same time, there had been an increase in the demand for multilateral support for South-South and triangular cooperation, which offered an innovative mechanism for information exchange and the mobilization of domestic resources for development. Despite such advances, however, there

remained a need for improved coordination and an increase in available financial resources. Her delegation therefore called for greater multilateral support to that end. She concluded by emphasizing the catalytic role of middle-income countries in South-South cooperation, both as beneficiaries and as partners, by virtue of ODA.

42. **Mr. Wang** Min (China) that one of the main concerns of developing countries was to improve the resource situation of the United Nations development system, whose coherence and efficiency had been seriously impaired. The key lay in the effective and timely fulfilment by developed countries of ODA commitments so as to help developing countries to meet global challenges and achieve the MDGs.

43. No group was more vulnerable than the least developed countries, which were poorly equipped to cope with the many difficulties facing them. The international community must come to their help, guided by the Istanbul Programme of Action and following the countries' own leadership. Support measures should be strengthened, ODA commitments must be met and the monitoring and implementation mechanism for the Programme of Action needed to be reinforced. The functions and resources of the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States should also be increased.

44. Developing countries could generally provide significant help to one another through South-South cooperation, which valuably supplemented North-South cooperation. Great progress had been made in that regard in recent years in the economic and technical fields. In that connection, he commended the work of the Special Unit for South-South Cooperation of the United Nations Development Programme (UNDP). The United Nations development system should provide necessary policy and funding support for such cooperation and explore new ways of putting it in place. His Government, for its part, stood ready to contribute to the further expansion of both South-South and triangular cooperation, with a view to the speedier achievement of the MDGs by developing countries.

45. **Mr. Bame** (Ethiopia) said that timely and predictable United Nations system funding of development-related activities was paramount if programme countries were to reach the internationally agreed development goals. For that reason, his delegation welcomed the recent broadening of the funding base for operational activities and the substantial increase in the contributions of developing countries. However, the growing imbalance between core and non-core funding was a source of incoherence in the development system and could, if not duly addressed, distort and even disrupt country programmes. If development partners remained committed to an efficient funding system operating within a multi-year financing framework, much could be achieved in ensuring the predictability, reliability and stability of financial flows.

46. Ethiopia, as a leading beneficiary of United Nations development support, had welcomed the "Delivering as One" initiative, which was helping to enhance the impact of the overall system on the development of the country through more effective resource mobilization. It looked forward to the High-level Intergovernmental Conference on the subject, to be held in Montevideo in November, as an opportunity to benefit from the experience of other pilot countries.

47. **Mr. Islam** (Bangladesh) said that the capacity of the United Nations to deliver on development promises had been frequently called into question. The United Nations should remain focused on meeting the needs of Member States on the basis of national ownership and strategy, and distance itself from conditionality under the guise of structural adjustment.

48. In disbursing development assistance, United Nations funds and programmes should respect national ownership and country-led priorities, in accordance with the Accra Agenda for Action. Sound finances, sufficient human and systemic resources and transparent operations would be vital to that end. The deficiency in core resources was actually another form of conditionality. Until its own core resources exceeded its non-core resources, the United Nations would be unable to operate independently to fulfil the needs of its Member States.

49. Although his Government had taken extensive measures to foster development through public-private partnerships, such partnerships were often stalled because of the failure of partners to bolster the ethos of national ownership and leadership of development projects. He urged the United Nations to help build trust between the partners and to mediate their development activities.

50. National ownership of projects remained the essence of United Nations activities. Development partners should therefore come forward and help developing countries, particularly least developed ones, to boost their national capacity to meet the Millennium Development Goals.

51. **Ms. Yoo** Hyeran (Republic of Korea) noted that, following a decline in 2009, United Nations development activities had recovered faster than total ODA and multilateral aid flows, but that key concerns over its development funding — in particular, the deteriorating imbalance between core and non-core resources — were persistent and ever-growing. The predictability and stability of core resources could be more problematic than the level of funding, owing to the prolonged economic uncertainty in many traditional donor countries, exchange rate fluctuations and limited multi-year pledges.

52. Citing her Government's US$ 90 million contribution to operational activities in 2010, she said that the United Nations would remain a key development partner for the Republic of Korea. Her country was also strengthening its efforts to increase its thematic contributions to United Nations entities, in full respect of their mandates, priorities and business modalities. For example, a trust fund had been established in 2010 to help support UNDP efforts to accelerate achievement of the Millennium Development Goals. The Republic of Korea's multi-year support for the World Food Programme's "Food for New Villages" initiative was one recent example of the country's long-term commitment to United Nations agencies.

53. South-South and triangular cooperation were two of the most important methods of coping with crises and meeting internationally agreed development goals, including the MDGs. In that connection, the Republic of Korea looked forward to hosting the forthcoming Fourth High-level Forum on Aid Effectiveness, to be held in Busan.

54. **Mr. Nakonechnyi** (Ukraine) commended the "Delivering as One" approach, which had proven effective in implementing development policy, and the Organization's efforts to develop technical cooperation and funding to increase the efficiency, productivity and sustainability of operational activities. His delegation welcomed developments in the implementation of the Plan of Action for the Harmonization of Business Practices, particularly the various procurement initiatives under way, and harmonized approaches to financial management. However, more needed to be done to fund operational activities for development, reverse the growing imbalance between core and non-core funding and ensure that funding flows were more predictable, reliable and stable.

55. The United Nations funds and programmes had provided valuable support to Ukrainian efforts to meet the MDGs and other internationally agreed development goals. With UNDP assistance, it had been able to carry out programmes to reduce inequality, ensure socially-oriented growth, protect the environment and combat HIV/AIDS. UNDP had also worked with Ukrainian scientists and helped draft Ukraine's national human development report. Considerable support had been provided by the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) as well. All three agencies had contributed to the success of Ukraine's new country programme documents, which were well aligned with national programmes.

56. **Mr. Lukwiya** (Uganda) said that the credibility and effectiveness of United Nations development assistance depended on its relevance to developing countries' needs and national policies and strategies. Adequate and predictable financing of United Nations operational activities remained a critical requirement. While it was encouraging that contributions from developing countries had grown by 75 per cent in real terms between 2005 and 2009, the growing imbalance between core and non-core (restricted use) contributions was a matter of concern. Common funding mechanisms such as thematic and multi-donor funds, including One United Nations Funds, should play an increasing role in the overall financing of operational activities for development. Furthermore, the management and cost-efficiency of fragmented development cooperation relationships within the United Nations system should be reviewed.

57. It was disappointing that the integrated strategic and multilateral financing networks adopted by entities of the United Nations development system had not significantly increased the predictability of resource flows. However, the quadrennial comprehensive policy review would present an opportunity to identify clear guidelines for further progress. Uganda welcomed efforts to establish more inclusive partnerships and dialogue — with the increased participation of

developing countries — which had resulted in the formulation of principles to guide South-South cooperation. The impact of South-South foreign direct investment was particularly significant for the poorest developing countries. He urged the international community to explore ways to expand South-South cooperation in strategic areas, in conjunction with triangular cooperation from developed countries.

58. **Mr. Loulichki** (Morocco) said that South-South cooperation was vital to international development, especially in light of the ongoing financial crisis and food and energy insecurity. There was unprecedented growth in South-South cooperation, he said, noting that by 2030 it would represent 57 per cent of the global gross domestic product. In that respect, the United Nations must do more to guide the process of regional and subregional integration and interregional cooperation. At the same time, the world body had a responsibility, alongside the providers of aid, to ensure more equitable distribution of the fruits of South-South cooperation and address the disparities prevalent in the global South.

59. Human development was a key component of South-South and triangular cooperation, and that approach was in perfect harmony with Morocco's own national human development initiative, launched in 2005. Strengthening capacity-building was also a priority of Morocco's assistance activities; the number of foreign students in the country, including students from 42 different African States, had tripled in the past five years. In the framework of triangular cooperation, and with the support of bilateral donors and development agencies of the United Nations, Morocco had developed cooperation projects on behalf of its African partners, particularly the least developed countries. For example, in July 2011, it had signed an agreement for a strategic alliance with the Food and Agriculture Organization of the United Nations (FAO).

60. In conclusion, he said that his country also attached great importance to decentralized cooperation, based on the exchange of experience and best practices with countries of the South in the areas of decentralization and local planning.

61. **Ms. Mutelo** (Namibia) expressed concern that, since 2008, there had been no real growth in overall contributions to United Nations system operational activities for development, which accounted for only some 18 per cent of total development assistance, excluding debt relief. At the same time, there had been a decline in humanitarian assistance, despite an alarming increase in the number of disasters. Her delegation also shared the concern about the increased prevalence of non-core over core funding, particularly because of the restrictions placed on its use. Core funding, which was channelled into a higher share of more global and interregional programme activities, should be increased.

62. Namibia called for suitable measures to attract core and unearmarked resources for operational activities. She drew attention to the need for a review of the implications of the existing imbalance between core and non-core funding and its distorting effect on duly established programme priorities. Her delegation looked forward to the 2012 quadrennial comprehensive policy review and the implementation of General Assembly resolution 64/289 on system-wide coherence. Lastly, she called on development partners to ensure more predictable, reliable and stable core funding for operational activities to enable developing countries to meet their development challenges and improve the lives of their people.

The meeting rose at 1 p.m.